GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1213
ANSWERED ON:26.11.2007
PAYMENT OF TRANSPORTATION CHARGES
Jha Shri Raghunath

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there is any stipulation regarding minimum distance between Food Corporation of India (FCI) Godowns or Railway stations and rice mills for payment of transportation charges to rice millers;

(b) if so, the details thereof;

(c) whether Comptroller and Auditor General audit report No.11 of 2007 has revealed irregular and improper payment to millers in contravention of the stipulated rules;

(d) if so, the details thereof and reaction of the Government thereto; and

(e) the steps taken to recover such improper payments and check such irregularities in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Prior to Kharif Marketing Season (KMS) 2003-04, forwarding and transportation charges for delivery of rice by millers upto a distance of 8 kilometers were sanctioned by the Government. However, with effect from KMS 2003-04, the milling charges worked out by the Tariff Commission were allowed which includes transportation and forwarding charges of paddy/rice upto 8 kilometers from the premises of the mills.

(c): Yes, Sir.

(d): CAG has pointed out that while fixing final rates for Custom Milled Rice, transportation charges were allowed to rice millers without considering the element of transportation charges paid alongwith provisional rates resulting in excess payment of Rs. 406.21 crore to State Governments and their agencies during 1998-99 to 2002-03. The matter is under examination in consultation with the Food Corporation of India (FCI).

(e): The Tariff Commission has been requested to conduct an indepth study for fixation of normative transportation charges for delivery of Custom Milled Rice (CMR) and levy rice by the millers beyond 8 kilometers.